

SENATE BILL 157

Q8

11r0919
CF 11r2741

By: **Senators Colburn and Pipkin**

Introduced and read first time: January 24, 2011

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 14, 2011

CHAPTER _____

1 AN ACT concerning

2 **Eastern Shore Code Home Rule Counties – Development Excise Tax for**
3 **School Construction – Applicability**

4 FOR the purpose of clarifying that the development excise tax that a code home rule
5 county on the Eastern Shore is authorized to impose applies to ~~new~~ residential
6 units including apartments and condominiums; providing that the development
7 excise tax is imposed on a multifamily residential project when the building
8 permit is issued for the residential units; defining a certain term; and generally
9 relating to the authority of code home rule counties to impose a development
10 excise tax.

11 BY repealing and reenacting, with amendments,
12 Article 25B – Home Rule for Code Counties
13 Section 13F
14 Annotated Code of Maryland
15 (2005 Replacement Volume and 2010 Supplement)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
17 MARYLAND, That the Laws of Maryland read as follows:

18 **Article 25B – Home Rule for Code Counties**

19 13F.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 (a) IN THIS SECTION, “~~NEW~~ RESIDENTIAL UNIT” INCLUDES AN
2 APARTMENT, CONDOMINIUM, AND SUBDIVISION LOT.

3 (B) (1) ~~The~~ EXCEPT AS PROVIDED IN PARAGRAPH (6) OF THIS
4 SUBSECTION, THE county commissioners of a code county, by public local law, may
5 impose a development excise tax when a ~~[subdivision lot] NEW RESIDENTIAL UNIT~~ is
6 initially sold or transferred, for financing, in whole or in part, the capital costs of
7 additional or expanded public school facilities or improvements.

8 (2) (i) Before passing a public local law imposing a development
9 excise tax or altering the amount of the tax, the county commissioners shall hold a
10 public hearing.

11 (ii) Notice of the hearing shall be published in at least one
12 newspaper of general circulation in the county not less than 3 or more than 14 days
13 before the hearing.

14 (iii) The notice shall state the subject of the hearing and the time
15 and place that the hearing will occur.

16 (3) The county commissioners shall specify and the notice shall state
17 the amount of the tax and the time during the subdivision process that the tax shall be
18 paid.

19 (4) Except as provided in paragraph (6) of this subsection, a
20 development excise tax imposed under this section may not exceed \$2,000 per lot ~~OR~~
21 ~~UNIT~~.

22 (5) A development excise tax may not be imposed under this section,
23 in a county that imposes a development impact fee.

24 (6) (I) A development excise tax imposed under this section by a
25 code county in the Eastern Shore class may not exceed \$5,000 per ~~lot OR~~
26 RESIDENTIAL UNIT.

27 ~~(7) (II) THE ANY DEVELOPMENT EXCISE TAX IMPOSED UNDER~~
28 ~~THIS SECTION IS IMPOSED ON A MULTIFAMILY RESIDENTIAL BUILDING~~
29 PROJECT UNDER THIS SECTION SHALL BE IMPOSED WHEN A BUILDING PERMIT
30 IS ISSUED FOR THE RESIDENTIAL UNITS.

31 [(b)] (C) (1) The county commissioners shall deposit development excise
32 taxes in an account known as the “educational facilities improvement fund”.

33 (2) Money in the educational facilities improvement fund may only be
34 used to pay for capital projects, or for debt incurred for capital projects, for additional
35 or expanded public school facilities or improvements.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 July 1, 2011.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.